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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

22 June 1981

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment
National Intelligence Officer for Warning *HCC*

FROM :
Acting NIO for East Asia

SUBJECT : East Asia Warning Assessment (U)

The following items were discussed by the Community Representatives at the 17 June warning meeting. (U)

Thai-Kampuchea Border

1. The recently announced Thai policy to cross border repatriate Khmer refugees, coupled with bellicose Vietnamese statements, has raised the possibility of new Vietnamese military action along the border. To date, however, most activity has been confined to the propaganda realm. The Thai announcement was in large measure designed to focus US attention on the refugee problem; only limited repatriation has taken place or is planned at this stage. Hanoi's reaction has been a noisy propaganda campaign exaggerated in part by the distortion of comments by Vice Foreign Minister Giang on the possibility of military action similar to the incursion last June. (C)

2. The Vietnamese in recent weeks have, however, made some limited tactical moves designed to control some of the border area, possibly in anticipation of an expanded flow of refugees returning to Kampuchea. PAVN forces retain the capability to mount military operations across the border with little or no warning. There are, however, no signs of preparations for any significant military action. In fact, activity by Vietnamese units along the border has recently declined. (S)

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3. With the exception of the incident last June the Vietnamese have carefully eschewed actions in the border area that would spark concern in Thailand, draw stronger US support for the Thai and increase international criticism of the SRV. Hanoi seems likely to persist in this policy unless it sees its interests in the border area being substantially weakened. Even then, small scale military probes against Khmer border enclaves seem much more likely than any significant military action directed against Thai forces or territory. (S)

Soviets in Indochina

4. There is a growing body of evidence indicating friction between the Vietnamese and the Soviets in many areas of their relationship. As Hanoi has become more dependent on Moscow and the Soviets have become more intimately involved in Vietnamese military and economic programs, this irritation has grown. The Soviets are clearly disturbed by the level of waste, corruption and inefficiency they encounter in Vietnam while the Vietnamese are chaffing at the demands for a larger voice in economic planning and the utilization of Soviet assistance. At the same time, the Soviets are using their military and economic assistance to forge links -- independent from the Vietnamese -- with the Government in Laos and the Heng Samrin regime in Phnom Penh. (C)

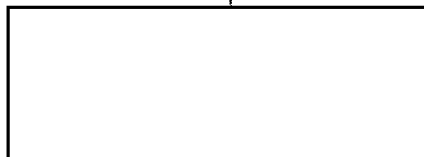
5. Though adding a distinct element of tension to the relationship, this situation is not likely to lead to any Soviet withdrawal from Vietnam or to have much impact on Hanoi's capability or willingness to persist in its Indochina policy in the near term. Hanoi must accept the Soviet behavior as the price for essential Soviet military and economic support, particularly so long as China continues to pose a direct threat to Vietnamese national and regional interests. While concerned about Moscow's dealings with its Indochinese neighbors, Hanoi must also calculate that its military presence in Laos and Kampuchea together with its dominant economic role there make it unlikely that Moscow will be able to progress very far in the development of independent ties that run counter to Vietnamese interests. (C)

Philippines: Domestic Outlook

6. The landslide election of President Marcos on 16 June was a foregone conclusion. Not so predictable was the coalescence of a broad range of opposition elements -- both conservative and radical -- in the movement to boycott and otherwise discredit the election. In a sense, the election offered a catalyst for forging a type of unity among the disparate opposition groups that has not occurred in the past. How long this convergence of views is likely to last is unpredictable, though with the election as a focal point now passed, it may prove difficult to sustain a common view. At a minimum, Marcos can also be counted on to move quickly to counter this development by persisting in his efforts to co-opt or isolate elements of the opposition. (C)

China

7. Deng Xiaoping will be entering the 6th Central Committee Plenum in a somewhat weaker position than the one he held late last year -- the original date for the much-postponed plenum. Nevertheless, he will get the most important of the personnel changes he has been pressing for: the replacement of Hua Guofeng as party chairman by Deng's protege Hu Yaobang. There is less certainty regarding other important posts. Hu may be replaced as party general secretary by a man with closer ties to Hua than to Deng, and Hu will probably be denied the chairmanship of the important military affairs committee because of army opposition; Deng may continue to function in this last job (although this is "unconstitutional"). A fairly benign assessment of Mao's role in party history will be approved, thus further propitiating party conservatives. Analysts did not expect any new departures in economic policy. Foreign policy will be a subject of debate; in this area Deng's hand has been strengthened by Secretary Haig's successful visit to China (this success may have been somewhat vitiated, however, by the President's remarks at his recent press conference). A fuller reading of the leadership power balance must await the personnel actions taken at the plenum. (S)



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